

Message Text

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11

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

AID-05 COME-00 EB-07 FRB-03 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 NEA-10 IO-10 /106 W

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R 220415Z DEC 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 0584

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E. O. 11652: ADS, DECLAS 3/31/76

TAGS: EAID, EFIN

SUBJECT: U.S. SUBSCRIPTION TO FIRST ADB ORDINARY CAPITAL INCREASE

USADB

FOR NAC AGENCIES

PASS TREASURY FOR BUSHNELL/ZINMAN

REF: (A) MAILA 16355; (B) MANILA 16874; (C) TRSY 75-199;

(D) TRSY 75-220

1. AT MEETING DECEMBER 18, ADB BOARD OF DIRECTORS APPROVED
FURTHER EXTENSION OF TIME FOR SUBSCRIPTION TO INCREASE IN
AUTHORIZED CAPITAL STOCK FROM DECEMBER 31, 1975 TO JUNE 30, 1976.

2. CANADIAN DIRECTOR INQUIRED WHAT SIGNIFICANCE COULD BE
ATTACHED TO A REQUEST FOR A SIX MONTH EXTENSION SINCE AN
ADDITIONAL EXTENSION WOULD PROBABLY BE NEEDED FOR THE
THIRD TRANCHE. ADB PRESIDENT EXPLAINED THAT THE SIX MONTH
EXTENSION WAS REQUESTED BY THE U.S. AND THAT THIS EXTENSION
WOULD PERMIT A THIRD TRANCHE PAYMENT ONE YEAR AFTER PAYMENT

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OF THE SECOND TRANCHE.

3. THE KOREAN, INDONESIAN AND PAKISTANI DIRECTORS SUPPORTED THE PROPOSED EXTENSION BUT NO OTHER DONOR COUNTRY DIRECTOR MADE COMMENT.

4. AFTER ADB PRESIDENT ANNOUNCED APPROVAL, U.S. DIRECTOR THANKED BOARD AND TOOK OCCASION TO EXPLAIN IN DETAIL U.S. UNILATERAL OFFER TO ACCELERATE EARLY ENCASHMENT OF U.S. DEMAND NOTES ALONG LINES REFTEL D PARAGRAPHS 3 AND 4. ADB PRESIDENT THANKED U.S. FOR OFFER THAT WOULD IMPORVE BANK INCOME.

5. U.K. DIRECTOR SAID THAT U.S. OFFER IS AN EXAMPLE THAT OTHER DONOR COUNTRIES MIGHT FOLLOW. ADB PRESIDENT EXPLAINED THAT GERMANY, SWITZERLAND, ITALY, AUSTRIA AND NORWAY MADE CASH PAYMENTS AND DID NOT USE THE DEMAND NOTES METHOD. U.S. DIRECTOR EXPLAINED THAT OBJECTIVE OF U.S. OFFER IS TO DEMONSTRATE SUPPORT OF THE BANK AND TO HELP BANK INCOME NOW. ADB PRESIDENT SAID HE PARTICULARLY APPRECIATED U.S. OFFER OF COST FREE FUNDS NOW BECAUSE OF THE CUMULATIVE EFFECT ON BANK INCOME.

6. AFTER MEETING, BANK MANAGEMENT AND U.K., JAPANESE, AND AUSTRALIAN DIRECTORS WERE PROVIDED COPIES OF U.S. STATEMENT AT THEIR REQUEST.

7. ON FOLLOWING DAY, DECEMBER 19, ADB PRESIDENT PROVIDED COPY OF LETTER TO U.S. GOVERNOR EXPRESSING APPRECIATION FOR THE OFFER OF ADVANCE ENCASHMENT OF U.S. DEMAND NOTES. LETTER BEING POUCHEDECEMBER 22.
SULLIVAN

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Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CAPITAL (FINANCE)
Control Number: n/a
Copy: SINGLE
Draft Date: 22 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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ISecure: 1
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Previous Handling Restrictions: n/a
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Review Authority: MorefiRH
Review Comment: n/a
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Review History: RELEASED <23 JUL 2003 by CunninFX>; APPROVED <07 AUG 2003 by MorefiRH>
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TAGS: EAID, EFIN, OGEN, US, RP, ADB
To: STATE
Type: TE
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